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WORRIED ANTHROPIC SUGGESTS GLOBAL FREEZE ON AI DEVELOPMENT

The largest AI company by market capitalisation warned that the technology is improving so quickly there's a risk humans would lose control

RECURSIVE SELF-IMPROVEMENT A THREAT

Given enough computing power, an AI system could be able to design and develop its own successor, known as "recursive self-improvement". Self-building AI would be a major technological milestone that would bring benefits in science, healthcare and other areas, Anthropic said, but it "also might increase the risks of humans losing control over AI systems"

PAUSE TO ENABLE ALIGNMENT RESEARCH

- Anthropic's post comes after a warning this week from researchers at University of Toronto who showed how AI tools could be used to create a new kind of AI "worm" that adapts its hacking strategy
- Anthropic researchers said the pause would enable "societal structures and alignment research" to keep up with AI advances | P13

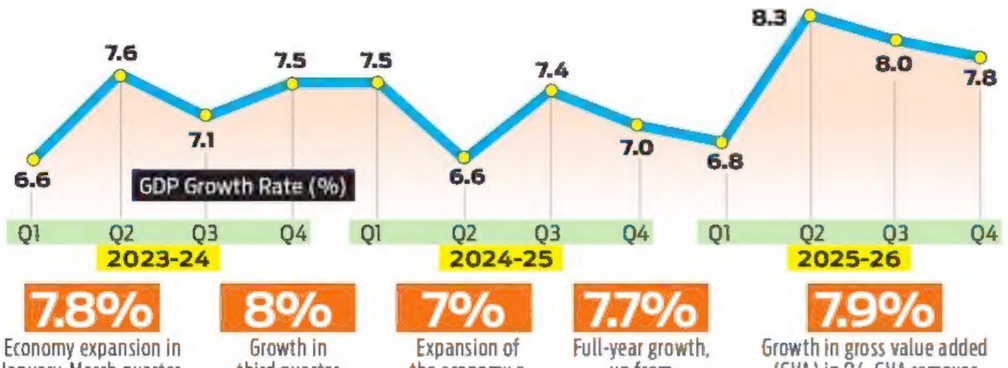
$1 trillion

COULD BE ANTHROPIC'S WORTH AFTER ITS FORTHCOMING IPO

CHENNAI ▪ MADURAI ▪ VIJAYAWADA ▪ BENGALURU ▪ KOCHI ▪ HYDERABAD ▪ VISAKHAPATNAM ▪ COIMBATORE ▪ KOZHIKODE ▪ THIRUVANANTHAPURAM ▪ BELAGAVI ▪ BHUBANESWAR ▪ SHIVAMOGGA ▪ MANGALURU ▪ TIRUPATI ▪ TIRUCHY ▪ TIRUNELVELI ▪ SAMBALPUR ▪ HUBBALLI ▪ DHARMAPURI ▪ KOTTAYAM ▪ KANNUR ▪ VILLUPURAM ▪ KOLLAM ▪ TADEPALLIGUDEM ▪ NAGAPATTINAM ▪ THRISSUR ▪ KALABURAGI

ROLLICKING GDP BEFORE WAR PAIN

Data shows better than expected expansion of the economy in the last financial year. Economic strain expected to be captured in Q1, FY27



7.8% Economy expansion in January-March quarter, exceeding forecasts

8% Growth in third quarter in FY26

7% Expansion of the economy a year ago

7.7% Full-year growth, up from 7.1% in FY25

7.9% Growth in gross value added (GVA) in Q4. GVA removes volatile components like indirect taxes and subsidies to capture economic activity

Impact of Iran war to be visible in the current April-June quarter

Real GDP estimated to reach ₹323.12 lakh crore in 2025-26, against the First Revised Estimate of GDP for 2024-25 of ₹299.89 lakh crore

Nominal GDP or GDP at current prices is estimated at ₹346.36 lakh crore in 2025-26, against ₹318.07 lakh crore in 2024-25. Growth rate: 8.9%

Even if the growth were to slip below 7% as the RBI forecast suggests... macro stability measures and supply assurances will bring us back to a 7%-plus growth track in FY28 or as soon as external conditions improve

—V Anantha Nageswaran, Chief Economic Advisor

TAX AXE TO HEAL ₹

Capital gains levy chucked to draw foreign investors

DIPAK MONDAL @ New Delhi

AFTER days of speculation, the government on Friday bit the bullet and announced tax relief for foreign investors. It took the ordinance route to grant exemptions on interest income and capital gains earned from investments in government securities by Foreign Institutional Investors (FIIs). However, no relief was extended to investments in equities. Hours later, the Reserve Bank of India (RBI) unveiled a slew of measures aimed at attracting foreign capital. Together, these steps are expected to support the rupee, which has been under pressure in recent months.

The ordinance amends the Income-tax Act, 2025 to exempt interest earned on government securities, as well as capital gains arising from their sale, exchange or transfer, from income tax for FIIs, subject to the furnishing of prescribed information to tax authorities. It takes effect retrospectively from April 1, 2026.

At present, FIIs or Foreign Portfolio Investors (FPIs) face a 20% withholding tax on interest income earned from Indian debt securities, including government bonds and rupee-denominated bonds. Long-term capital gains on government securities are currently taxed at 12.5%, while short-term capital gains attract a 20% tax.

The tax relief is expected to make government bonds attractive for foreign investors at a time when India is seeking deeper integration with global debt markets.

Rajesh H Gandhi, Partner, Deloitte India, said the tax exemption would increase returns for FPIs investing in Indian government securities by 15-20% and improve the return differential between Indian sovereign bonds and those of other countries, making India more attractive to global investors.

As for the RBI, it expanded the universe of securities eligible under the Fully Accessible Route (FAR) by including all new issuances of 15-year, 30-year and 40-year government bonds. In another significant relaxation, it increased investment limits for Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) in listed equity instruments without requiring registration with the Securities and Exchange Board of India. The same facility has now been extended to all Persons Resident Outside India (PROIs) as well.

The central bank also unveiled a scheme under which it will bear the full hedging cost on fresh Foreign Currency Non-Resident [FCNR(B)] deposits with maturities of three to five years mobilised up to September 30. Further, the RBI restored the time limit for the realisation of export proceeds to nine months, so as to supporting exporters and improve foreign exchange inflows.

RBI's measures, along with tax benefits provided by the govt this morning, should help attract foreign capital for govt borrowing

Sanjay Malhotra, RBI guv

Neutral policy stance

While retaining the MPC's "neutral" policy stance, the RBI said future monetary policy decisions would depend on how inflationary pressures evolve

Equity markets disappointed

There was disappointment in the equity market as the government announced no tax relief for equity investments. Benchmark indices ended in the red

Ordinance route

The government said the ordinance was necessary as Parliament is not in session and circumstances required immediate action

RBI expects 5.1% inflation, keeps rates unchanged

DIPAK MONDAL @ New Delhi

THE Reserve Bank of India (RBI) on Friday sprung no surprises, keeping the repo rate unchanged at 5.25%, even as it acknowledged that global economic conditions had deteriorated amid the continuing conflict in West Asia. The central bank lowered its growth forecast for FY27 to 6.6% from 6.9% and raised its inflation projection to 5.1% from 4.6%, citing rising energy prices, supply-chain disruptions and heightened geopolitical uncertainty.

Announcing the Monetary Policy Committee's (MPC) decision, RBI Governor Sanjay Malhotra said the global environment had worsened since the previous policy review, with the ongoing conflict exerting pressure on commodity prices and disrupting supply chains. The RBI now expects India's GDP growth to moderate to 6.6% during the current financial year - down from 7.7% in FY26 - reflecting the impact of higher input costs and weaker global demand.

"The rise in prices of energy and other inputs, coupled with supply disruptions, is likely to weigh on economic activity," the governor said, adding that prolonged geopolitical uncertainty could delay supply-chain normalisation and increase costs for businesses.

Despite the downward revision, the RBI maintained that the domestic economy remains resilient. Private consumption continues to be supported by discretionary spending, investment activity has retained momentum, and both manufacturing and services sectors continue to expand. Merchandise exports recorded robust growth in April despite elevated freight and insurance costs, while services exports remained strong.

The central bank, however, cautioned that downside risks to growth remain significant due to volatile commodity prices, financial market uncertainty, supply-chain disruptions and weather-related factors.

At the same time, the RBI raised its inflation forecast for FY27 to 5.1% from 4.6%, reflecting the sharp increase in global crude oil and other commodity prices. Malhotra noted that international crude oil prices have averaged around $110 per barrel in recent months, significantly higher than the $85 per barrel assumption used in the previous policy review. The RBI has now revised that assumption to $95 per barrel.

Despite mounting inflation concerns, Malhotra refrained from offering any forward guidance on interest rates. He said every MPC meeting evaluates all available options—including a rate hike, a pause, or a rate cut—before arriving at a decision.

Reddy resigns; Rahul rap puts Muniyappa in line

EXPRESS NEWS SERVICE @Bengaluru

IN a major embarrassment to the new Congress government, within 24 hours of portfolios being allocated to ministers, Water Resources Minister Ramalinga Reddy resigned on Friday.

Miffed at not getting the Bengaluru Development portfolio, Reddy, an eight-time MLA from BTM Layout in Bengaluru, said Chief Minister DK Shivakumar had assured him of that portfolio, and he is unwilling to accept the water resources department.

The Bengaluru Development portfolio has been allotted to Krishna Byre Gowda, who was handling revenue in the Siddaramaiah government. The portfolios were allotted on Thursday night.

Another senior minister, KH Muniyappa, too, expressed his displeasure over being allocated food and civil supplies department again, as he was handling the same responsibility in the previous Siddaramaiah government too. He was keen on the social welfare department.

Reddy, in his resignation letter addressed to Shivakumar, thanked the chief minister and Congress for inducting him into the council of ministers. But he said he decided to resign from his ministerial post as he is unable to act against his conscience.

"I request you to kindly accept my resignation. I will continue to serve as an MLA and as a worker of the Congress party," Reddy stated in the letter.

Speaking to reporters before leaving for Tamil Nadu, Reddy said he did not seek any particular portfolio during Siddaramaiah's tenure, but was assured of Bengaluru development. But that was allotted to Shivakumar, who was deputy CM then. Reddy said that both Shivakumar and his brother DK Suresh visited him at his residence and assured him that once Shivakumar becomes chief minister after the completion of two-and-a-half years of the government, he would be assigned the Bengaluru development portfolio. P4

On two occasions, I was promised the Bengaluru Development portfolio, and both times the promise was not fulfilled. That is why I am hurt. It goes against my conscience to work

Ramalinga Reddy

Rahul tells CM to pacify Ramalinga

Congress leader Rahul Gandhi reportedly sent out a message to the Congress state leadership that the high command's decision is paramount. Rahul also instructed state leaders, including Shivakumar, not to worry much about Reddy's resignation, except to make efforts to convince him to rejoin the cabinet.

3 Kuki-Zos killed, seven houses torched

EXPRESS NEWS SERVICE @Guwahati

IN fresh violence in Manipur, three Kuki villagers, including a woman, were killed in an alleged militant attack on Friday. Seven houses were torched. The attack was perpetrated at Loibol Khullen village in Kangpokpi district at around 4 am. Kuki organisation Kuki Inpi Manipur (KIM) alleged that the attack was carried out by armed members of National Socialist Council of Nagalim (NSCN-IM) and its "proxy" Zeliangrong United Front (Kamson faction).

"This reprehensible act of violence has resulted in the tragic killing of three innocent civilians – Letkhongam Haokip, his wife Tinmary Haokip, and Jangminlal Haokip, while seven houses were reduced to ashes and substantial damage was inflicted upon civilian properties," KIM said.

The Kuki organisation called upon the central government to apprehend the perpetrators without delay.

The Kuki-Zo Council, called for action, and said "these repeated acts of violence have deepened fear and reinforced the belief that Kuki-Zo lives no longer matter."

Wife of senior IPS officer killed in wild jumbo attack in Kodagu coffee estate

PRAJNA GR @ Madikeri

THE wife of a senior IPS officer, who was visiting her estate on Friday morning, was trampled to death by a wild elephant at Konanakatte in Thithimathi limits of South Kodagu on Friday morning.

The victim, Sandhya Achaiah (51), wife of senior IPS officer Annalamada Sunil Achaiah, and workers were going around the estate in the morning when she was attacked by a lone tusker. Hailing from Konanakatte, Sandhya was staying in New Delhi, where her husband is posted in a senior position, sources said.

Sandhya Achaiah

Sandhya arrived in Kodagu three days ago to attend a family wedding. She, her sister-in-law Sapna, estate managers and workers, were going to different parts of the estate. Around 8.45 am, the tusker, which was among the trees, charged towards them. While others ran for their lives and escaped with minor injuries, Sandhya came under the legs of the pachyderm and was trampled to death. P6

Five injured in leopard attack, animal captured

Hassan: A leopard that was hiding in a cow shed at Ankavalli village in Holenarasipur taluk of Hassan district attacked five farmers in broad daylight on Friday. Forest officials rushed to the spot and captured the animal after a two-hour operation. The injured are said to be out of danger | P6

Two detained for alleged links with terrorists

EXPRESS NEWS SERVICE @ Davanagere/Tumakuru

TWO men, suspected to be maintaining links with terror outfits and of being involved in anti-national activities, have been detained by the Tumakuru police.

Acting on intelligence shared by the National Investigative Agency (NIA), the Tumakuru city police arrested Allah Baksh, who hails from Srinagar, in Kyathasandra.

He was allegedly posting provocative messages targeting India and had maintained contacts with terrorists through social media platforms, including X. CONTINUED ON: P7

WATER SPORT

Congress leader Rahul Gandhi on a snorkeling expedition during his visit to the Andaman and Nicobar Islands on Friday | PTI | P11

Annamalai quits BJP, joins race for 2031 TN polls

EXPRESS NEWS SERVICE @ Chennai

THE BJP on Friday announced the resignation of former Tamil Nadu BJP president **K Annamalai** — well-known for his aggressive style and fierce anti-Dravidian politics — from its primary membership. A few hours later, the ex-IPS officer converted 'We The Leaders', a youth-based volunteer outfit launched by him in 2020, into a political movement and declared his intention to fight the 2031 Assembly polls in the state. Annamalai's 25-minute online speech on his political future on Friday afternoon gained the attention of more than 55 lakh people across multiple social media platforms.

Positioning his movement as a platform to groom a new generation of political leaders, Annamalai also declared the plan to launch 'APJ Abdul Kalam Centre for Ethics and Politics' in Coimbatore with the motto "let us be the change to bring change" to train aspiring leaders for public life and electoral politics.

The movement would evolve into a full-fledged political party after building and training a cadre base, he said, and added that those trained at the centre will be fielded in the next local body polls.

He said the movement would embrace the "politics of the soil" and bring people from all walks of life, particularly technocrats, into politics. It would be rooted in Tamil identity with a national outlook, he said. P7

EXPRESS READ

UGCET results to be out today

Bengaluru: The Karnataka Examinations Authority (KEA) will announce results of the the Under Graduate Common Entrance Test (UGCET) 2026 at 12 noon on Saturday. Students can access their results from 2 pm at the KEA website.

Oz firm to invest ₹3Lcr: PM

New Delhi: Prime Minister Narendra Modi on Friday announced that Australian hyperscale data centre operator AirTrunk plans to invest around ₹3 lakh crore in India. The company has proposed to build data centre capacity of 5 GW in India by 2030, he said | P11

TMC stares at split in Lok Sabha

New Delhi: Days after the Trinamool Congress suffered a major split in the West Bengal Assembly, a veteran Trinamool MP claimed that the party could crumble in Parliament. According to sources, at least 20 LS MPs may drift away from the TMC | P12